

Feedback statement: Endorsement of *Interest Rate Benchmark Reform—Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)*

January 2021

1. Purpose

- 1.1 The purpose of this Feedback statement is to summarise the UK Endorsement Board (UKEB) secretariat's outreach on the endorsement of the International Accounting Standards Board's (IASB) amendments *Interest Rate Benchmark Reform—Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)* (the Amendments) and the comments received.

2. Background

- 2.1 The Amendments were published by the IASB on 27 August 2020. The Amendments arise solely as a consequence of the global regulatory reform of key interbank offered rates (IBORs) and are a minor part of that overall change. The objective of the Amendments is to give relief from certain existing accounting requirements that arise from the replacement of existing interest rate benchmarks as a direct consequence of the reform of IBOR.
- 2.2 The Secretary of State for the Department for Business, Energy and Industrial Strategy (BEIS) is responsible for the formal adoption of the Amendments for use in the UK and the Adoption statement can be found on the 2021 list of UK adoptions webpage. To support that adoption, the UKEB secretariat performed outreach with stakeholders to seek their views on whether the Amendments met the endorsement criteria set out in legislation.

3. Draft Endorsement Criteria Assessment

- 3.1 The draft Endorsement Criteria Assessment (DECA) was reviewed for technical input by the Financial Reporting Council's (FRC) Corporate Reporting Council. It was open for public comment between 7 September 2020 and 28 September 2020.
- 3.2 A total of 8 formal responses were received from stakeholders, all supporting adoption of the Amendments. The respondents were:

Organisation	Category
Accounting Task Force of the Working Group on Sterling Risk-Free Reference Rates	Task Force
ACCA	Accounting and Audit Representative Organisation
Deloitte	Accounting firm
HSBC	UK listed company applying IFRS (FTSE 100 bank)
ICAEW	Accounting and Audit Representative Organisation
PwC	Accounting firm

Organisation	Category
Santander UK plc	UK debt listed company applying IFRS (bank) [its parent is UK and EU equity listed]
United Utilities	UK listed company applying IFRS (FTSE 100 corporate)

- 3.3 No substantive comments dissenting from the analysis in the DECA were received. Some wording was revised in the final ECA to improve clarity.